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ABSTRACT

A key factor in the overall financial strategy in the public and private sectors of American higher education involves helping students and families pay tuition and fees. This is because expenses have risen dramatically, tuition fees have outdistanced increases in federal student aid programs, and competition for students has increased. Several tuition funding and payment alternatives presently in use are described in this monograph which is based on a generic review of how colleges and universities help families and students pay tuition. The response to the request for information on this project was overwhelming and reveals a great diversity in tuition financing. Information is provided on the following: accelerated payment plans (prepayment plans, tuition stabilization plans, tuition futures, tuition gift certificates); delayed payment plans (installment plans, loan programs, commercial financing arrangement); pricing and discounted payment plans (differential pricing, retention plans, performance plans, volume discounts, lotteries, tuition matching, employee discounts); other techniques (credit card payment, electronic funds transfer, work programs); and tuition planning aids (family financial planning, effective presentation of plans). The appendix offers a financing options index by institution and by plan. Tables are included. (SM)

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ALTERNATIVE APPROACHES TO

TUITION FINANCING

MAKING TUITION MORE AFFORDABLE

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A NACUBO MONOGRAPH

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ALTERNATIVE APPROACHES TO TUITION FINANCING

Making Tuition More Affordable

ALTERNATIVE APPROACHES TO TUITION FINANCING

MAKING TUITION MORE AFFORDABLE

BY

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COLBY-SAWYER COLLEGE

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NACUBO

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INTRODUCTION

Helping families and students pay tuition and fees has emerged as a key component of overall financial strategy in both the public and private sectors of American higher education. This is attributable to several factors.

First, tuition and fees have increased dramatically in recent years. The average total cost of attending independent, four-year institutions rose from $4,460 in 1976-77 to $10,199 in 1986-87, according to the College Scholarship Service. The increase during this period outstripped the rise in the Consumer Price Index. At the same time the cost of attending a public institution rose from $2,860 to $5,604. These increases are due to the rising cost of operations, most noticeably catch-up increases in faculty salaries and capital replacement and renewal.

Second, rising tuition fees have outdistanced increases in federal student aid programs. Although the total volume of student loan dollars has risen steadily, there has been no real increase in the amount of federal dollars available on a per capita basis. This has reduced families' and students' ability to pay, creating a "tuition gap."

Third, competition for students is heating up. A decreasing pool of traditional-age college students has complicated this issue. Progressive pricing and financing policies have become part of some institutions' competitive strategies. And fourth, consumers, i.e., parents and students, are more financially sophisticated than ever. They expect a choice of financing options to match their needs.

Moreover, federal budget-balancing looms as a financial unknown over higher education. Fewer federal dollars are expected to be available for student aid programs as the government works to trim the federal deficit.

Consequently, many institutions are adopting or considering programs to help families and students make tuition payments. These programs reflect the reality that education has become a major purchase for most families, a high-ticket item, like a house.

The most successful programs generally include a variety of financing and payment alternatives that meet a wide range of individual needs.

Tuition funding programs must also accommodate institutional requirements. For example, they should meet an institution's cash-flow needs. A well-capitalized institution, for instance, might structure different payment plans than an institution that finances current operations through short-term borrowing.

Tuition payment plans should reflect the funding profile of an institution's student body, as well. If most students pay tuition from a subsidized source, such as a corporate tuition reimbursement program, an institution may be reluctant to allow installment payments. If, on the other hand, the student population relies heavily on private funding, it may be appropriate to provide multiple-month payment options.

Payment plans should also incorporate an institution's investment objectives and alternatives. When short-term investments are less attractive, the value of early tuition payment diminishes; when short-term investments are profitable, tuition receipts are more valuable and plans should provide incentives for early payment.

This monograph examines several tuition funding and payment alternatives currently in use, including:

- Prepayment and tuition stabilization plans
- Tuition futures and gift certificate programs
- Installment plans and loan programs
- Commercial financing arrangements
- Differential pricing
- Student retention and performance plans
- Volume discounts, lotteries, and tuition matching

- Employee discounts and work programs
- Credit card payment and electronic funds transfer
- Family financial planning programs

The information includes an overview of various plans, their major characteristics, and examples of different versions. Plans and sponsoring institutions are identified in the appendixes.

While all plans carry certain benefits for the institution as well as the student and family, there are also risks associated with their implementation and use. Both the potential risks and benefits should be weighed before deciding on the desirability of a specific tuition payment plan.

The authors wish to acknowledge Jean Cusick and Kathleen Fletcher of Coopers & Lybrand for their assistance; the members of the Student-Related Programs Committee for their review; and Christine Larger and Michael Noetzel of the NACUBO staff for their management of this project. Special thanks to Adrienne Thompson.

1

OVERVIEW

This study began as a generic review of how colleges and universities are helping families and students pay tuition. The response from NACUBO members to the association's request for information for this project was overwhelming—more than 200 institutions sent copies of their tuition financing plans. This led us to expand the scope of the study to reflect as many of the actual plans as possible, and, in addition, to develop an index of the plans received for other colleges and universities to use.

Still, our report is far from comprehensive. It is based on plans received and analyzed and does not attempt to reflect all of the creative approaches that have been developed to make tuition payment more flexible—and more affordable. Readers should also understand that these plans were adopted before the 1986 Tax Reform Act was passed.

Higher education in the United States is characterized by diversity. Institutions exist in many sizes and shapes and are supported financially by various combinations of public and private resources. They present an awesome array of programs.

Our study revealed the same diversity in tuition financing. The many variations of tuition financing practices increase the need for a conceptual framework that institutions can use to review their own practices. We believe the framework presented in this monograph will be helpful to boards of trustees, presidents, and chief business officers.

For presentation purposes, the popularity of tuition financing alternatives used by families and students can be shown through a matrix that matches the source of the payments, either personal or borrowed funds, with the timing of the payments, either accelerated or extended.

TUITION FINANCING MATRIX

Timing of Payments

Source of Funds	Accelerated*	Delayed**
Personal	Infrequently used	Frequently used
Borrowed	Infrequently used	Frequently used

* **Accelerated** *can be many years in advance or just prior to enrollment.*

** **Delayed payment** *can be over the course of a semester, a year, or several years.*

Accelerated tuition payment plans are attracting significant attention at present. This type of plan allows the consumer to trade off the use of cash and its potential earnings for the opportunity to avoid some or all future tuition increases. Programs allow prepayment well before the student enters the institution, as well as upon enrollment.

Conceptually, *delayed* tuition payment plans create the trade-off associated with virtually all major purchases in our economy, e.g., homes, automobiles. The consumer decides to pay for higher education in smaller increments over time. The cost of the delay, the interest rate associated with delayed payment, is determined by the provider of the funds. Typically, institutional funds carry a lower cost or interest rate than commercially provided funds. However, the use of delayed payment plans carries the risk of uncollectible funds.

A discussion of tuition payment plans must include the issue of *pricing* strategies, including the use of discounting. As is the case with any major capital purchase, the provider of the goods or service establishes a price. The price is the central component of the payment process or financing plan.

The issue of pricing in higher education is becoming significantly more complex as public and independent institutions struggle with options. A growing number of institutions are using differential pricing as a component of their financing strategy. Differential pricing can be based on institutional costs, program costs, and market preferences, as well as the institution's desire to attract a particular kind of student.

Another component of pricing policy is the use of discounting published tuition rates. *Discounting* also is occurring in the form of rebating, particularly to encourage desired results such as completion of a degree within a specified time period or achievement of a particular level of academic performance.

Finally, an institution's financing strategy can involve other techniques. These techniques may include the use of sophisticated procedures for bill payment, such as the use of credit cards or electronic funds transfer. It may also incorporate support services, such as financial planning or counseling.

In summary, as the cost of higher education continues to rise, a comprehensive approach to financing strategies will become an increasingly important component of the institution's method of doing business.

NACUBO Student-Related Programs Committee
Coopers & Lybrand

TAX ISSUES TO CONSIDER

General: Many plans discussed in this monograph incorporate tax issues that are unresolved. These will require careful scrutiny. This is particularly true for some *accelerated payment plans*, such as tuition futures and tuition gift certificates. Institutions would be advised to seek letter rulings from the IRS before implementing these plans.

Tax Reform Act of 1986: The plans described were established prior to the Tax Reform Act of 1986. Provisions in the tax bill will affect some plans. Among those provisions are: the non-deductibility of interest on consumer installment debt (except for mortgage interest); volume limits on tax-exempt debt; and limits on income shifting. Some provisions will increase the urgency to find new approaches to tuition financing, such as treating scholarships and fellowships as ordinary income subject to tax, except to the extent they are used for tuition.

2

ACCELERATED PAYMENT PLANS

Benefit to Institution: Incremental pool of cash available for investment. Institution can invest more money sooner. Provides incentive for student to enroll through graduation.

Benefit to Family & Student: Tuition is capped and predictable. Generally no tax on interest earned on prepaid amounts. If prepaid amount is borrowed, interest expense is tax-deductible. Starting in 1987, deduction allowed only if secured by principal or second residence.

PREPAYMENT PLANS
TUITION STABILIZATION PLANS
TUITION FUTURES
TUITION GIFT CERTIFICATES

PREPAYMENT PLANS

Overview

Institution receives tuition payment up front — i.e., prior to registration — in exchange for guarantee of no future tuition increases in period covered by prepayment. Also known as tuition guarantee plans. Fifty-four of 240 colleges and universities responding to this survey have some form of prepayment plan.

Characteristics

Length of Period Covered by Prepayment

Student prepays tuition for four years prior to freshman registration.

Amount paid generally equals four times freshman year tuition.

Alternatively, sophomores can prepay three years' tuition and juniors can prepay two years' tuition in exchange for tuition caps on covered periods.

Annual and semester tuition can also be prepaid. Students may receive slight tuition discount (advance payment discount) in exchange for prepayment.

Generally available for full-time enrollment in fall and spring semesters only, not for summer semester, part-time, or evening enrollment.

Covered Costs

Generally limited to tuition and fees. Room, board, and other expenses usually not covered.

Payment Schedule

Prepayment is generally lump-sum.

May be made with borrowed funds. Repayment of prepayment may then be an option. Student repays loan during enrollment or over extended period.

Funding

Families generally make prepayments from sale of investments or current earnings.

Alternatively, families or students may borrow prepayment amount from institution, local lender, commercial bank, private tuition-lending organization, etc. May be attractive to high-bracket families, because of deduction for interest paid on borrowed amount. (In 1987 and after, interest deductible only if secured by first or second home mortgage.)

If student withdraws during period covered by prepayment, pro rata refund is generally granted, but interest earned on prepaid amounts is not.

Other Programs

Colleges and universities have adopted many permutations of traditional prepayment plans, including:

- Prepayment for room, board, and other expenses.
- Tuition discounts for prepayments as follows: 8 to 10 percent for prepayment of four years' tuition; 5 percent for prepayment of two or more years; and 3 percent off for prepayment of one semester's tuition.
- Prepayment of annual tuition earns coupons redeemable at college or university bookstore.
- Prepayment of one semester's tuition guarantees level tuition and fees in following semester.

TUITION STABILIZATION PLANS

Overview

Family or student pays portion of tuition in advance, pays set premium, or makes deposit with institution for guaranteed cap on tuition and/or fees for portion or duration of enrollment.

Characteristics

Similar to prepayment plans, except amount paid is usually less than full four-year tuition.

Variations

First-Year Tuition Premium

Student pays slightly higher tuition (e.g., 3 percent premium) in year one; in exchange, tuition is capped for all subsequent years. Guaranteed tuition is based on first-year tuition either with or without premium.

Investment Account

At registration, family or student deposits fixed amount (e.g., $7,500) with institution.

Tuition is frozen at freshman levels for four years. In lieu of interest on deposit, institution guarantees no increases.

Upon graduation, family or student withdraws deposit.

Tuition Freeze Plan

Regular tuition is paid annually. At graduation, amount of tuition increases during enrollment is refunded. May be effective if retention is an issue.

Guaranteed Cost Plan

First-year comprehensive fees — tuition, room, and board — are guaranteed for all four years in exchange for non-refundable premium payment (e.g., $700) paid over two years.

Investment Equivalent Plan

Annual tuition is prepaid, with deduction for tuition discount. Under tax laws in effect for 1986-87, discount equals 10.8 percent after tax return on tuition paid by taxpayers in 35 percent bracket (12.8 percent return for taxpayers in 45 percent bracket).

Semester Payment Plan

Tuition paid for all remaining semesters at rate set for some subsequent year, e.g., second year.

Payments are made each semester.

Discounted Advance Payment

Tuition and fees are prepaid at discounted rate based on current market yields.

Future increases are paid as they occur.

TUITION FUTURES

Overview

Institutions and states sell "future" interests in higher education to families and students. Families or students purchase today, for fixed discounted amount, future college education. Several institutions have implemented tuition futures programs. Many states are considering them, and a few are in the process of adopting tuition futures programs.

Characteristics

Allows families to pay for a four-year education at current prices, which removes uncertainty surrounding future tuition increases.

A form of tax-advantaged savings for tuition, because families do not pay tax on interest and dividends earned by institution or state.

Allows institutions to lock in future demand.

State plans promote attendance by residents at in-state institutions.

Institutional plans promote alumni interest.

Plans may also provide institutions and states with economic benefits if return on invested futures payments exceeds tuition increases.

If return on invested funds is less than future increase in tuition, however, revenue to institution and state will be reduced. Discounted tuition, extended payments, and administrative costs may all diminish return.

Tax treatment of futures payments is *very uncertain* at present. Most important issue is tax treatment of right of withdrawal. Currently, if withdrawal includes original investment and appreciation, interest income could be imputed or capital gain tax liability could be created.

Tax consequences of *transferability* to another student and *conversion* to tuition at another institution are also uncertain. Letter rulings from the IRS are being sought to resolve these issues.

Variations

State Plans

Plans guarantee tuition at participating institutions in state. Public and independent institutions are expected to participate.

Plans generally available only to state residents, or alternatively, contributor investing in plan must be state resident.

Program is managed by public agency with funds invested separately. Price is current or discounted current tuition.

Purchase amounts may be for one to four years or less. Extended payment period may range up to 18 years.

If student does not attend participating institution, investment can generally be recaptured. Some plans permit withdrawal of original investment only; others may allow withdrawal of principal plus appreciation.

If student is not admitted to or elects not to attend a participating institution, appreciated value of investment (or substantial part of it) may be applied to another institution.

Investments are generally non-transferable between students.

Number of participants is usually limited.

Institutional Plans

Tuition guaranteed for specified student at future date.

Purchase amounts either lump-sum (e.g., four-year tuition) or fraction of total tuition.

Price is current or discounted current tuition, based on age of student.

Eligibility can be for any prospective student or limited to dependents or kin of alumni. If limited to alumni children, program might be available to others at slight premium.

Refund features vary widely. At some institutions, withdrawal of investment is not allowed; amount purchased may be donated as a gift. At other institutions, only original investment is refunded if student is not accepted or if student enrolls at another institution.

One institution allows students with at least 2.5 grade point average to transfer after one year of attendance. Remaining balance of future is then applied to enrollment at new institution. Institution pays up to maximum of its annual tuition directly to other institution. Student must continue to maintain minimum 2.5 grade point average.

Program is managed by institution. Funds are separately invested. Investments may or may not be transferable to other students. Number of participants may or may not be limited.

Academic counseling and testing may be provided to help predetermine whether student would be admitted to institution.

TUITION GIFT CERTIFICATES

Overview

Institution sells gift certificates covering all or part of future tuition to families of current or potential students.

Characteristics

Can generally be purchased in any amount specified by donor.

Eligibility is open to any potential student.

May be purchased for designated number of *credit hours* or other tuition unit, e.g., percentage of annual cost at current credit hours or other rates.

Can be purchased for current or potential future students. In some cases, current students can purchase gift certificates for themselves.

May be valid for one term or longer. May expire after named student reaches 25 (or some other age), or at date specified in certificate.

Relative value of amount purchased, e.g., credit hour unit, remains constant. Value of certificate increases at same rate as tuition.

If person named on certificate does not attend institution, certificate can generally be transferred to another student.

Value of tuition gift certificates cannot generally be withdrawn or cashed in. If designated student does not enroll, gift certificates can be donated to institution's scholarship fund and value at date of gift can be taken as charitable deduction.

Tuition gift certificates can be purchased for use as general scholarships, where institution (or other organization) names award recipient. Alternatively, certificates could be purchased for use by certain kind of student, such as residents of a given community.

Variations

Gift certificates can be used as special promotional items, rather than as part of alternative financing package.

Funds not used within a year of purchase may be refunded to donor.

Gift certificates may also be used for bookstore purchases, campus performances, etc.

3

DELAYED PAYMENT PLANS

Benefit to Institution: Smoother cash flow during year. Could possibly reduce accounts receivable problems.

Benefit to Family & Student: Installment payments correspond with earnings and family cash flow. If family borrows for installment payments, interest is tax-deductible. Starting in 1987, interest is deductible only if debt is secured by mortgage on first or second home.

INSTALLMENT PLANS
LOAN PROGRAMS
COMMERCIAL FINANCING ARRANGEMENTS

INSTALLMENT PLANS

Overview

Institution receives tuition payments in equal amounts or installments during semester or year. Also known as deferred payment plans. Widely used by institutions offering alternative tuition plans — 176 of 240 institutions responding to this survey. For many institutions, installment plan is sole alternative tuition plan offered.

Characteristics

Number of Installments

Annual tuition and fees divided into equal payments, usually eight to 12, paid by student at regular intervals during year. (Under conventional tuition payments plans, tuition and fees are paid in full at or prior to enrollment.)

Some institutions require down payment on or prior to registration — usually 25 to 50 percent — with remainder paid in full one or two months into term, or in two or three equal payments during semester.

Installment Funding

Most installment payments are funded from family's current earnings.

Many institutions provide loans for installment payments. Loans are generally short-term, e.g., for period of enrollment, or allow for extended repayment over periods up to ten years. Commercial finance organizations also provide funding for installment payments.

Finance Charge on Installments

Installment plans generally represent short-term loans to families. Most institutions waive finance or interest charges on installments.

Some institutions do charge interest, ranging up to 20 percent, generally based on length of installment period.

Application and/or processing fees of $15 to $50 are normally charged.

Options

Institutions offering installment tuition plans often provide many options, including:

- Institutional or private sponsorship.
- Monthly or quarterly payments.
- Down-payment with balance due during year.
- Short-term loans or loans with extended repayment options.
- Prepayment of some installments with discounted tuition.

Institutional vs. Commercial Plans

Many institutions have commercial student loan organizations provide and manage installment plans for students. Institution offers no plans, refers students to commercial loan organizations.

Commercial finance organizations generally provide a variety of installment options, including monthly payment and extended repayment plans.

State Policy Considerations

Historically, public institutions have been required by statute to receive tuition payments on or prior to registration. Con-

sequently, state colleges and universities could not offer installment payment plans.

Many states are reviewing this policy. For example, Texas enacted a law in its 1985 session that permits payments of tuition and fees in installments (Sec 54.007 of the Texas Education Code passed by the Texas legislature in H.B. 1147).

Some states where installment plans are prohibited for residents offer them to non-resident students. Other states, where installments are barred for tuition and fees, allow deferred payments for room and board. Some states permit installment payments until other forms of financial aid are awarded.

Variations

Installment plans cover room and board in addition to tuition.

Advance payment discount if installment payments start prior to registration, e.g., finance charges waived or tuition reduced.

Electronic funds transfer (EFT) system operated by institution or national funds clearinghouse charges family's checking/savings account monthly for installment payment (see chapter six).

Installment plans available as last resort, in response to family financial distress, or as carry-over until other financial aid is awarded.

Amounts available for installment payments are generally net of scholarships and financial aid awards.

Insured installment option generally available at slight premium.

LOAN PROGRAMS*

Overview

Non-federal loan programs are an important, growing source of student aid financing. Five major types exist: *institutional, local lender, commercial, consortium,* and *state*. Sixty-five of 240 colleges and universities responding to this survey have or are associated with at least one type of loan program. Twenty-six provide institutional loans to students.

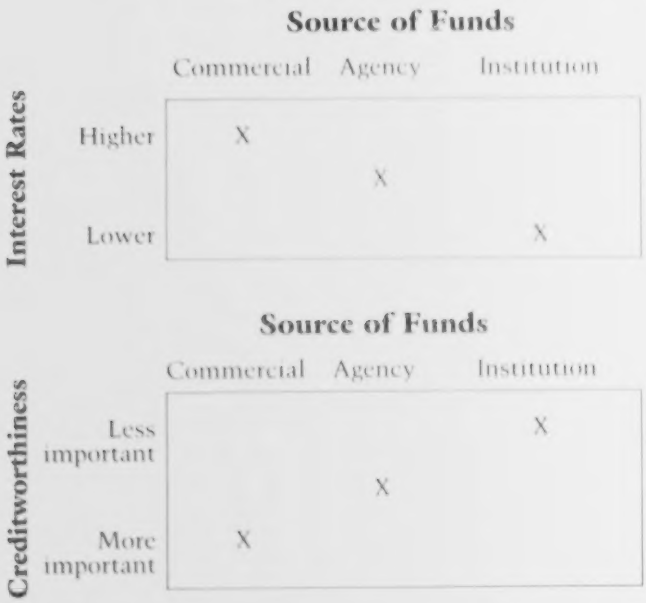
Characteristics

Tuition payment charts below highlight importance of use of borrowed funds for opportunity to extend payments over multiple years or for prepayment.

Sources of borrowed funds are three-fold: institutions provide funds; institutions make use of public, tax-exempt agencies to generate capital that can be used for loans; and commercial entities provide funds, in varying relationships with institutions. Interest rates and importance of creditability vary with funding source.

* *Other than federal student loan programs.*

CHARACTERISTICS OF LOAN PROGRAMS



Institutional Loan Programs

Institution loans money directly to family or student, generally to pay for annual tuition payments. Some institutions offer student loans only on short-term, emergency basis, until other types of student aid are received.

Awarded to fund specific tuition payment programs, such as installment plans, or to fund tuition in general.

Generally designed to fund "tuition gap" between federally guaranteed student loans and cost of tuition for students ineligible for scholarships.

Usually uninsured. Families, students subject to creditworthiness test.

Application fees if charged, range from $10 to $100.

Interest on Loans

Rates on institutional loans are generally somewhat below market.

Interest generally accrues shortly after loan is disbursed.

Some institutions offer variable rate loans—interest rates are adjusted as institution's cost of borrowing changes.

Size of Loans

Maximum and minimum loan amounts are established.

Maximum that can be borrowed annually generally equals cost of tuition (net of other scholarships, awards, etc.).

In general, minimum varies, in $1,000 to $3,000 range.

Repayment Period

Maximum repayment periods are generally eight to ten years from graduation or termination of enrollment. In some instances only interest is repaid while student is enrolled; in other instances repayment of principal and interest starts immediately.

Source of Funding

Normally funded from current revenue, endowment, or institutional borrowing. Some institutions fund loan programs from proceeds of sale of tax-exempt bonds.

Local Lender Programs

Institution enters into agreement with local lender, such as bank located in institution's geographic area, to provide loans to its students.

Local lender loans are usually more attractive than conventional loans. Interest generally below market rates. Variety of repayment schedules available. Interest subsidies may be available while student is enrolled. Prepayment penalties generally not assessed.

Home equity loans generally provide best open line of credit and best interest rate.

In some instances, institutions arrange with local lenders to service institutional loans. Local lender can hold proceeds from tax-exempt financings.

Institutions may secure loans to further reduce interest rates.

Borrowers subject to credit check.

Loans may be available for non-tuition expenses also.

Local lenders may also provide short-term loans (one year or less) at attractive rates.

Other Programs

Institution and local lender jointly sponsor financing package. Institution subsidizes 25 percent of assistance; remainder is loan from local lender.

Local lender offers short-term (one-year) loans to cover any related costs of attendance.

Loan program sponsored by college or university includes federally insured loan from local lender *and* supplemental loan from institution, financed through state authority.

Institution arranges for local lender to establish line of credit. In one instance, a $2,500 line of credit was established for students. At another institution, local lender lines of credit replaced institutional loan programs.

Consortium Loans

Private consortia of institutions provide supplemental loans to students attending member institutions. An example is:

Consortium on Financing Higher Education (COFHE)

SHARE loan program is a cooperative venture of COFHE, New England Education Loan Marketing Association (Nellie Mae) and The Education Resources Institute (TERI). Provides supplemental education loans to students attending the 30 COFHE member institutions.

Size of loan is $2,000 to $15,000 per year with maximum of $60,000 per student. Interest rates are variable. Variable payment will not exceed prime rate (as published in *The Wall Street Journal*) plus 2 percent.

Repayment options include:

- Payment of interest only during enrollment.
- Fixed monthly payments of principal and interest.
- Variable monthly payments.

Repayment period up to 15 years, depending on size of loan.

Available to all creditworthy families regardless of income level.

Guarantee fee of 4 percent.

State Loans

Several states offer loans directly to students attending institution or indirectly through institution.

Generally available from state agencies authorized to fund student loans through sale of tax-exempt bonds. Usually designed to supplement other forms of financial assistance. Examples of different kinds of programs offered by states follow.

Connecticut Higher Education Supplemental Loan Authority

Authority uses tax-exempt bonds to fund Family Education Loan Program (FELP), which makes loans to students on behalf of several non-profit, tax-exempt colleges and universities in Connecticut.

From $1,000 a year per student can be borrowed; cumulative maximum is $40,000 per student.

Up to 140 months to repay loan, beginning 30 days after disbursement.

Below-market interest rate is fixed at 10.98 percent annually.

Application fee of 1 percent or $25, whichever is greater.

Monthly debt to income ratio cannot exceed 36 percent to qualify. Credit check required.

Maryland Higher Education Supplemental Loan Authority

Cooperative venture between authority and ten independent Maryland institutions. All students attending participating institutions are eligible, regardless of residency.

Students can borrow 100 percent of cost of attendance (net of other loans, grants, and scholarships). Minimum amount is $2,000 annually; maximum is total cost of attendance at par-

ticipating institutions. Maximum can be waived under certain conditions if student prepays more than one year's tuition.

Origination fee is 5 percent of total amount borrowed.

Interest rate is variable, based on rate paid on adjustable-rate, tax-exempt bonds issued by authority, plus administrative costs.

Repayment period ranges from 12.5 to 14.5 years depending on date of origination. All loans must be paid in full by November 1, 1998.

Repayment of loan begins within 30 days of disbursement, however, borrower does have an interest-only period. Borrower may defer payment of principal until April 1, 1988.

Penalties for early repayment.

Massachusetts Education Loan Authority

Family can borrow up to three-fourths of cost of undergraduate attendance, net other loans, under Family Education Loan Program.

Repayment up to 15 years on monthly basis, starts within one month after disbursement.

Interest fixed and computed on basis of simple annual interest rate.

Loans can be used to fund tuition prepayment.

Origination fee is 6.5 percent of amount borrowed; $30 application fee.

Needs test required, similar to uniform methodology for federal programs.

Credit check required.

No residency requirement, however, student must attend participating Massachusetts institution.

New Hampshire Higher Education Assistance Foundation

Loans available to residents and out-of-state students attending New Hampshire institutions under the Alternative Loans for Parents and Students (ALPS II) program.

Annual minimum is $3,000; maximum $15,000; cumulative maximum $60,000.

Repayment period up to 12 years, on monthly basis, starts 30 days from disbursement.

Credit check required. No maximum income limit or needs test.

Interest rate is fixed.

No early repayment penalty.

Application processing fee of $50.

New York Supplemental Higher Education Loan Financing Program (SHELF)

Financed through Dormitory Authority of the State of New York.

Minimum loan is $1,500; maximum is total cost of education (less other financial aid).

Repayment period up to 15 years, starts at time of first disbursement.

Families with income up to $125,000 generally qualify.

Interest rate fixed below commercial rates.

Origination fee of 5.5 percent.

Credit test required.

No residency requirement, but student must attend participating New York State institution.

Sallie Mae

The Student Loan Marketing Association (Sallie Mae), a federally chartered, stockholder-owned corporation, offers long-term loans to students/families in 14 states and the District of Columbia.

Annual loans range from $3,000 to $10,000.

No needs test or application fees. Two percent origination fee.

Variable interest rate pegged to 91-day Treasury bill rate, plus 3.5 percent.

Repayment begins within 45 days and can be extended up to 10 years.

COMMERCIAL FINANCING ARRANGEMENTS

Overview

Private, commercial loan organizations specialize in tuition financing, provide installment and loan programs on national basis to students at participating institutions. Private companies play important role in tuition financing at many small institutions. Part of tuition financing portfolio at large institutions. Institutions may associate with one or many of these organizations.

Characteristics

Features of commercial financing arrangements vary with lending organization, including:

- Insured or uninsured.
- Fixed or variable rates.
- Borrowing set amount or against line of credit as needed.
- Repayment during enrollment or extended.
- Down payment or no down payment.
- Application fee or no application fee.
- Repayment of principal deferred until graduation or not deferred.
- Annual maximum of total fees or maximum of less than total fees.
- Credit check or no credit check.
- Home equity loan.

Installment or Budget Plan

Family determines annual amount to be paid to institution.

Company prepays tuition to institution, and family pays company in ten to 12 monthly installments.

Generally no interest charged.

Amount paid to company usually includes fees for application, monthly insurance, and service.

Amount paid to company may be deposited in money market account; family earns interest on unexpended account balances.

The earlier in the year monthly payments start, the lower they are.

Tuition may be insured against death or disability of family custodian.

Loan Programs

Family or student borrows amount covering up to four years of education costs from company.

Repayment in monthly installments; terms range up to ten years.

Costs include application fee, insurance premium, and finance charges. Interest rates are variable and generally close to market rates, e.g., T-bill rates plus several points.

Interest is usually charged only on amount paid to institution and not yet repaid.

If student transfers to another college or university, plan pays costs at new institution.

Other Programs

Several new regional and national private programs have recently been introduced. These include: pre-arranged lines of credit for education costs; home equity loans to prepay tuition; and educational savings accounts with access to low-interest loans.

4

PRICING AND DISCOUNTED PLANS

Benefit to Institution: Relates price directly to desired outcomes. Provides differentiation to consumer.

Benefit to Family & Student: Provides reduced price to eligible students.

DIFFERENTIAL PRICING
RETENTION
PERFORMANCE
VOLUME DISCOUNTS
LOTTERIES
TUITION MATCHING
EMPLOYEE DISCOUNTS

Overview

Price, rather than method of payment, is focus of pricing strategies, including discounting. Issue of pricing is becoming more complex as institutions increase number and types of financial incentives offered to encourage enrollment, retention, or academic performance.

Differential Pricing

Institutions can base differential price on program cost, institutional cost, market preference, or need for particular kind of student. Some institutions offer price breaks to upperclassmen or to graduate students, others to underclassmen or undergraduates. Price differences may also be offered based on course of study, number of credits, etc.

Retention Plans

Institution forgives indebtedness of graduating students or provides other financial incentives for students to enroll through graduation. One institution forgives 50 percent of loan for students who graduate and repay remainder within six months of graduation.

Performance Plans

Institution rewards academic achievement (and promotes retention) by reducing tuition and fees, increasing grants, and making loans less expensive for successful students. One institution links interest rates on student loans with student's grade point average (GPA). If student's cumulative GPA at graduation is greater than 3.0, for example, interest rate on outstanding education loans will be ⅓ of rate in effect when loan was awarded. Another institution awards scholarships to upperclassmen with GPAs above 3.75.

Volume Discounts

Institution discounts tuition for families with more than one child enrolled. At one institution, for example, if a family has two or more dependent children simultaneously enrolled, only the first pays full tuition; all others receive a $2,500 tuition grant.

Lotteries

Institution or student organizations sponsor tuition lotteries with a year's tuition as prize.

Tuition Matching

One independent college discounts tuition for top applicants to match tuition of public institutions in the state. Discounts are limited to public high school seniors who are ranked in top ten of their class. College also provides comparable financial aid and round-trip air fare for students who live more than 400 miles away.

Employee Discounts

Institution offers tuition discounts for employees and their dependents. One college provides 85 percent discount for dependents of full-time employees, and 60 and 40 percent discounts, respectively, for dependents of three-quarter and half-time employees.

5

OTHER TECHNIQUES

Benefit to Institution: Incorporates current financial payments methods. Builds consumer sophistication.

Benefit to Family & Student: Correlates with techniques available for other large purchases.

CREDIT CARD PAYMENT
ELECTRONIC FUNDS TRANSFER
WORK PROGRAMS

Overview

Some colleges and universities have instituted a variety of other payment and financing techniques that incorporate new financial payment techniques or help make tuition more affordable through work opportunities.

Credit Card Payment

College or university accepts credit card payment of tuition. Becoming increasingly popular; 71 of the 240 institutions responding to survey accept credit card payments.

Institution enters into agreement with bank to allow students to pay tuition with credit cards. Institution negotiates rates with bank. Bidding process involving several banks generally results in most favorable rate. Bank charges may also be settled in form of compensating balances.

Some institutions limit credit card use. At some institutions, only evening or part-time students can pay by credit card. At others, only summer session students are eligible. Credit card use is most popular with part-time and commuter students. Use of credit card allows student to treat tuition as capital purchase.

Electronic Funds Transfer

Institution charges family's checking/savings account directly for tuition and fees through electronic funds transfer (EFT) system. Can be operated by institution or national funds clearinghouse. Use of electronic billing and payment is particularly appropriate for installment plans. EFT payment is generally less costly for families and institutions than credit card payment.

Work Programs

At one institution, alumni provide students with summer jobs, earnings are then used to convert student loans to grants.

Another institution allows student to finance up to 35 percent of costs through college or university employment and to spread enrollment period and costs over five years.

6

TUITION PLANNING AIDS

Benefit to Institution: Organizes programs offered by institution. Leads to informed choices by family and student.

Benefit to Family & Student: Facilitates choice among options. Helps family and student relate tuition financing to personal financial plan.

Overview

Clear communication of institution's financing options is essential to success of tuition payment strategies. Families and students need well-organized presentation of information to make informed choice among array of alternatives. Material should be clear regardless of level of family's or student's financial knowledge.

Family Financial Planning

Several institutions recommend comprehensive, short- and long-term financial planning, including tuition, investments, and retirement planning for families.

Some recommend financial planners who focus on projecting future higher education costs, eligibility for grants and loans, and tax-advantaged savings for tuition.

Several institutions provide students with bibliographies of tuition financing sources. One state university, prohibited by statute from offering tuition financing plans, gives students list of organizations engaged in tuition financing with plans that allow students to pay tuition in full prior to registration.

Effective Presentation of Plans

Decision making is often made easier by graphic or summary presentation of narrative information. "Summary of Payment Plans and Loan Options" is reproduced from *Guide to Paying for College* prepared by an independent, liberal arts college. It compares regular payment plans and college installment plans with commercial, federal, state, and consortium loan plans, all in one chart.

Several institutions provide guidelines for selecting the best approach to tuition financing. "How Do We Decide Which Plan Is Best For Us" appeared in *How to Finance a College Education: A Guide for Parents 1986-1987* published by a major independent university.

SUMMARY OF PAYMENT

	Number of Payments Per Year	Number of Years to Complete Payments	First Payment Due
Regular Payment Plan	2	4	Aug 15
MHC Ten-Month Payment Plan	10	4	June 1
Insured Tuition Payment Plan	12	4	May 1
Guaranteed Student Loan	None during college	10 following graduation or graduate study	6 mos. after completion of study
PLUS Loan	12	7 for first loan; 10 with multiple loans	60 days following note
Extended Repayment Plan	12	Flexible, up to 10	June 1 preferred
Massachusetts Family Education Loan	12	15	June 1
COFHE/Nellie Mae Supplemental Loan (not included in above Planning Chart)	12	15	June 1

*Source: *Mount Holyoke College, South Hadley, MA.*

PLANS AND LOAN OPTIONS

Annual Interest Rate Charged	Service Fee	Insurance	Annual Maximum	Income Restrictions	Credit Check
0	None	None	Total Fees	None	None
0	$50	Optional	Total Fees	None	Required
0	$50	Optional	Total Fees	None	None
8-9% subsidized during college	5.5% + guarantee fee, varies by state	None	$2500	Needs test, up to 75,000, FAF, over 75,000	None
12% fixed	Varies by state, appx. 1%	None	$3000/ child	None	Required
Variable to 4.5% over 91-day T-Bill	None	Required	Total fees	None	Required
Fixed 10%-11.5%	Included in interest charge	None	Total borrowing to 75% of total budget	Appx. 95,000 maximum	Required
Variable up to 3.5% over 91-day T-Bill	4% guarantee fee	Required	Total fees	None	Required

HOW DO WE DECIDE WHICH PLAN IS BEST FOR US?*

Your decision-making process must include an assessment of present income and savings, as well as future expectations. If financing is necessary, an option that matches your future income and obligations is best.

Determine the amount you owe the University this year. To calculate your net University charges, first add the estimated expenses (include the health fee of approximately $365 if your child needs to enroll). Determine if your child will be able to contribute toward the billed expenses or if your child's summer and/or term earnings will cover the personal and travel expenses. Subtract any financial aid your child will receive.

Tuition	$11,390
College Facilities Fee	$ 835
Room	$ 1,885
Board	$ 2,035
SUBTOTAL	$16,145
Health Insurance	$
TOTAL	$
Less Student's Contribution	$
Less any Financial Aid	$
EQUALS NET UNIVERSITY CHARGES	$ [1]

[1]This is the amount you will owe the University.

Evaluate your ability to pay these charges from current income or savings. The most straightforward approach is to pay the amount you will owe in two payments, one in early August and one in late January. If you will not be able to pay in two installments, consider the Monthly Payment Plan since it involves no interest charges, only a flat fee of $25 per term (for a total of $50 for the academic year). Divide your net charges

*Source: *Harvard-Radcliffe, Cambridge, MA.*

by eight to determine your approximate monthly payments. This is the amount you would pay in August, October, November, and December for the fall term, and January, February, March, and April for the spring term.

If you will have difficulty meeting these monthly payments, you may want to consider the Insured Tuition Payment Plan (ITPP). In the first year you make eight monthly payments, but in subsequent years, twelve. This plan provides more flexibility than the Monthly Payment Plan without incurring debt.

If you need lower monthly payments than the ITPP, you may require long-term financing.

Consider the options for annual borrowing. Take the amount you will owe the University, round it off to the nearest thousand. Using Chart A below, review the available option(s).

CHART A

Options for Annual Borrowing

Annual Borrowing	Parent Loans to Undergraduate Students	Family Education Loan
1,000	$50/mo.	NA
2,000	$50/mo.	$24/mo.
3,000	$67/mo.	$36/mo.
4,000	NA	$48/mo.
5,000	NA	$60/mo.
6,000	NA	$72/mo.
7,000	NA	$84/mo.
8,000	NA	$96/mo.
9,000	NA	$108/mo.
10,000	NA	$120/mo.
11,000	NA	$132/mo
12,000	NA	$144/mo.
13,000	NA	$156/mo.
14,000	NA	$168/mo.
15,000	NA	NA
16,000	NA	NA
17,000	NA	NA

The monthly repayment figures for the Family Education Loan are approximate assuming an interest rate in the 10 to 11 percent range.

Consider the multiple-year borrowing plans. If your child is in the first three years at Harvard-Radcliffe consider the plans available for multiple-year borrowing. The Parent Loan Plan allows you to borrow up to the total cost of the remaining education, but does not stabilize the tuition rate. The Tuition Prepayment Option Loan Plan stabilizes the tuition rate, but only allows you to borrow up to the amount needed to prepay the remaining tuition.

CHART B

Parent Loan Plan

Take the amount you need to borrow for this year, round it to the nearest thousand, and find that figure in the first column. Column two reflects the monthly repayment for the level of borrowing elected in column one. Freshman parents ordinarily make 79 monthly payments, while payment schedules for upperclassmen vary based on student's year in school.

Annual Borrowing	Monthly Repayment	For a freshman equals Total Borrowing of:	For a sophomore equals Total Borrowing of:	For a junior equals Total Borrowing of:
$1,000	$60	$4,000	$3,000	$2,000
$2,000	$120	$8,000	$6,000	$4,000
$3,000	$180	$12,000	$9,000	$6,000
$4,000	$240	$16,000	$12,000	$8,000
$5,000	$300	$20,000	$15,000	$10,000
$6,000	$360	$24,000	$18,000	$12,000
$7,000	$420	$28,000	$21,000	$14,000
$8,000	$480	$32,000	$24,000	$16,000
$9,000	$540	$36,000	$27,000	$18,000
$10,000	$600	$40,000	$30,000	$20,000
$11,000	$660	$44,000	$33,000	$22,000
$12,000	$720	$48,000	$36,000	$24,000
$13,000	$780	$52,000	$39,000	$26,000
$14,000	$840	$56,000	$42,000	$28,000
$15,000	$900	$60,000	$45,000	$30,000
$16,000	$960	$64,000	$48,000	$32,000
$17,000	$1020	$68,000	$51,000	$34,000

CHART C

Tuition Prepayment Option Loan Plan

Total Borrowing	Monthly Repayment
$45,560	$546.72
$34,170	$410.04
$22,780	$273.36

The monthly repayment figures for the Tuition Prepayment Option Loan Plan are approximate, assuming an interest rate in range of 10 to 11 percent.

The total borrowing amounts listed above are the amounts needed to prepay the total tuition of a freshman, $45,560, a sophomore, $34,170, and a junior, $22,780. However, loans are available in any amount from $2,000 to $45,560 for families prepaying tuition through a combination of a Tuition Prepayment Option Loan Plan and a family resources.

Analyze the available plans. Using Chart D analyze the plans you have initially selected as appropriate to your individual needs.

Review the eligibility criteria for each option. To your knowledge will you be eligible for all the options you are considering? If you do not meet the income restrictions for these plans, you can use one of the postcards at the back of this brochure to request information about other plans, outside of Harvard, with no income restrictions.

Will you be able to pass a standard credit check? A standard credit check involves a review of your length of employment, your past credit history and the relationship of your current indebtedness to your current monthly income. If you anticipate problems with the credit check, you may want to discuss this with the Harvard University Financial Aid Office before applying.

Compare the maximum loans under each plan. Which programs will accommodate your full borrowing needs? Ordinarily, it is best not to borrow simultaneously from two parent loan plans. However, your child should always borrow under the Guar-

anteed Student Loan program, when eligible, as the interest is subsidized by the federal government while the student is in school.

Identify your preference for fixed versus variable rate financing. Are you willing to accept the risk of increasing interest rates that accompanies the possibility of declining rates?

Consider the interest and fees for each option. Plans with substantial fees have an annual percentage rate exceeding the stated interest rate.

Compare the length of the repayment period for each option. Will any of these options conflict with future financial commitments, such as the education of other family members? Keep in mind, that none of these plans have a prepayment penalty, if you decide to prepay the loan in full.

Estimate your future income during the repayment period. Are there any anticipated changes in employment, such as career change or retirement plans, which will affect your ability to meet the monthly payment?

Consider the monthly amounts for each program. Which payments are possibilities under your family's current budget?

Review your family's current indebtedness. Do you have excessive obligations for mortgage/rent, car loans, or other consumer or educational loans? If so, you may not be eligible for any of these long-term financing options unless you apply with a creditworthy co-applicant.

Evaluate the tax advantages of each option. If you are in a significant tax bracket, will the finance charges under any of these plans represent a significant tax savings?

Choose one plan and apply. Reach a decision on the most advantageous plan for your family and apply on time. Given the costs associated with any financing option, the best plan for your family is often the one with the largest monthly payment you can afford. Do not submit multiple parent loan applications, as only one application can be processed at a time; if you are requesting the maximum loan.

CHART D

Summary of Plans

Plan	Term of Borrowing	Income Restriction	Maximum Loan
Parent Loans to Undergraduate Students (PLUS)	1 year	none	$3,000
Parent Loan Plan (PLP)	up to 4 years	ordinarily $20,000-$100,000 adjusted gross income	full cost of attendance
Family Education Loan (FEL)	1 year	families earning above $100,000 adjusted gross income do not qualify, unless more than one child is in post-secondary education	$13,050-$14,025
Tuition Prepayment Option Loan Plan (TPOLP)	up to 4 years	families earning above $100,000 adjusted gross income do not qualify, unless more than one child is in post-secondary education	tuition for remaining years

Interest	Fees	Repayment Period	Amount of Monthly Repayment
12% fixed	approximately 2% of the amount borrowed	10 year maximum	$22.25 per $1,000 borrowed, with a minimum monthly payment of $50
variable, currently 9.5%	$20 application fee	normally 6.7 years for freshmen, but varies for upperclassmen	$60.00 per annual $1,000 borrowed
fixed; expected to be in 10-11% range*	6.5% of the amount financed, plus $30 application fee	15 years	expected to be $11.50-12.50 per $1,000 financed*
fixed; expected to be in 10-11% range*	6.5% of the amount financed, plus $30 application fee	15 years	expected to be $11.50-$12.50 per $1,000 financed*

*The exact interest rate and monthly repayment for the Family Education Loan and the Tuition Prepayment Option Loan Plan will be set by June 1, 1986.

APPENDIX

FINANCING OPTIONS INDEX

The tuition financing indexes that follow show the kinds of tuition payment plans offered by colleges and universities. The first, *by institution*, lists the plans offered by institutions participating in the NACUBO survey. Telephone numbers are included so that the reader may contact the institution for more information. (In most cases, it is appropriate to ask for the business office.) The second index groups institutions *by type of plan* available.

All plans cited in the index are on file at NACUBO, and copies of samples plans are available on request. Contact NACUBO Information Exchange telephone (202) 861-2518.

The National Forum for College Financing Alternatives, located at Teachers College, Columbia University, provides some information on establishing various alternative tuition payment plans, telephone (212) 678-3293.

INDEX OF FINANCING OPTIONS BY INSTITUTION

Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certificates	Credit Card Payment	Other Payment Plans
Abilene Christian University (915) 647-2000	I	X	X				X
Academy of the New Church, The (215) 947-4200	I	X			X		
Agnes Scott College (404) 371-6278	I		X				
Aims Community College (303) 330-8008	P					X	
Allentown College of St. Francis de Sales (215) 282-1100	I		X				
Alvernia College (215) 777-5411	I					X	
Alverno College (414) 646-3999	I					X	X
Asbury College (606) 858-3511	I		X	X			
Austin College (214) 892-9101	I	X	X	X			

Baker University (913) 534-6451	I		X				
Bethel College and Seminary (612) 638-6208	I		X		X		
Blackburn College (217) 854-3231	I						X
Bowling Green State University (419) 372-2531	P		X			X	
Bradley University (309) 676-7611	I		X			X	
Brown University (401) 863-3296	I	X		X			
California Family Study Center (818) 843-0711	I		X			X	
Calvin College (616) 949-4000	I				X		
Carleton College (507) 663-4000	I	X	X	X			
Carnegie-Mellon University (412) 268-2100	I		X	X			
Carroll College (Montana) (406) 442-3450	I		X				
Catholic University of America, The (202) 635-5038	I		X				

* (P)ublic
(I)ndependent

Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certificates	Credit Card Payment	Other Payment Plans
Cedar Crest College (215) 437-4471	I						X
Chaminade University of Honolulu (808) 735-4711	I					X	X
Chatham College (412) 441-8200	I		X	X		X	
Chesapeake College (301) 758-1537	P			X	X	X	X
Cheyney University of Pennsylvania (215) 399-2111	P		X				
Chowan College (919) 398-4101	I		X				
Christopher Newport College (804) 599-7354	P		X			X	
Clarkson University (315) 268-6400	I			X			X
Colby-Sawyer College (603) 526-2010	I		X	X			X
Colgate University (315) 824-1000	I	X	X	X			
College of DuPage (312) 858-2800	P				X	X	X

College of Osteopathic Medicine of the Pacific (714) 623-6116	I	X				
College of St. Catherine, The (612) 690-6567	I		X			
Columbus College (404) 568-2003	P			X	X	
Concordia College (New York) (914) 337-9300	I		X			
Concordia Teachers College (402) 643-3651	I		X		X	
Concordia College (Wisconsin) (414) 243-5700	I	X	X			
Cornell University (607) 255-6413	I	X	X	X	X	
Creighton University (402) 280-2700	I	X	X			X
Cuyahoga Community College (216) 348-4000	P		X			
D'Youville College (716) 881-3200	I		X			
Dartmouth College (603) 646-1110	I	X	X	X		

* (P)ublic
(I)ndependent

Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certificates	Credit Card Payment	Other Payment Plans
DePauw University (317) 658-4800	I	X	X				
Denison University (614) 587-0810	I		X				
Des Moines Area Community College (515) 964-6200	P		X				
Dickinson College (717) 243-5121	I	X	X	X			
Dordt College (712) 722-3771	I	X	X				
Drake University (515) 271-3710	I		X				
Drew University (201) 377-3000	I	X	X	X			
Duquesne University (412) 434-6040	I	X	X	X		X	
Elgin Community College (312) 697-1000	P		X			X	
Emory University (404) 727-6123	I			X			
Empire State College (SUNY) (518) 587-2100	P					X	

Emporia State University (316) 343-1200	P		X		X	
Erie Community College (716) 648-5400	P		X			
Eureka College (309) 467-3721	I		X			
Fairleigh Dickinson University (201) 460-5000	I		X	X	X	X
Findlay College (419) 422-8313	I		X			
Florida International University (305) 554-2101	P		X			
Franklin College (Indiana) (317) 736-8441	I		X			
Franklin Pierce College (603) 899-5111	I	X	X	X		
Franklin University (614) 224-6237	I		X		X	
Free Will Baptist Bible College (615) 383-1340	I		X			
Gardner-Webb College (704) 434-2361	I		X			
George Mason University (703) 323-2114	P		X		X	

* (P)ublic
(I)ndependent

Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certificates	Credit Card Payment	Other Payment Plans
George Washington University, The (202) 676-6000	I	X	X				
Glassboro State College (609) 863-7075	P		X			X	
Gonzaga University (509) 328-4220	I		X	X			
Grace Theological Seminary (219) 372-5100	I		X				
Graceland College (515) 784-5140	I	X	X	X			
Hartwick College (607) 432-4200	I			X			
Harvard-Radcliffe (617) 495-9036 (617) 495-4986	I	X	X	X			
Hastings College (402) 463-2402	I	X	X				
Holy Family College (215) 637-7700	I		X				
Indiana State University (812) 237-3555	P					X	

Jacksonville State University						
(205) 231-5000	P		X		X	
Jarvis Christian College						
(214) 769-2174	I	X	X	X		X
John Carroll University						
(216) 397-4274	I		X		X	
Johnson County Community College						
(913) 469-8500 x3256	P			X	X	X
Kent State University						
(216) 672-2626	P		X		X	
Kentucky Wesleyan College						
(502) 926-3111	I		X			
Kenyon College						
(614) 427-2244	I	X	X			
Knox College						
(309) 343-0112	I		X	X		
Lafayette College						
(215) 250-5000	I		X	X	X	
Lakeland Community College						
(216) 953-7000	P			X		
LaSalle University						
(215) 951-1050	I		X			
Lees-McRae College						
(704) 898-5241	I		X			X

* (P)ublic
(I)ndependent

Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certificates	Credit Card Payment	Other Payment Plans
Lewis and Clark College (503) 244-6161	I		X				
Longwood College (804) 392-9271	P		X				
Los Angeles College of Chiropractic (213) 947-8755	I	X	X				X
Loyola College (301) 323-1010	I	X	X	X		X	
MacMurray College (217) 245-6151	I		X				
Manchester College (219) 982-2141	I		X				
Marion College (317) 674-6901	I	X	X				X
Marquette University (414) 224-5261	I	X	X				X
Marymount College of Virginia (703) 522-5600	I	X	X	X		X	
Maryville College (Missouri) (314) 576-9300	I		X				
Marywood College (717) 348-6293	I		X				X

Master's College, The (805) 259-3540	I		X	X		
McKendree College (618) 537-4481	I		X			
Memphis State University (901) 454-2000	P				X	
Merrimack College (617) 683-7111	I	X	X	X		X
Metropolitan State College (303) 556-3076	P				X	
Metropolitan Technical Community College (402) 449-8400	P					X
Miami University (513) 529-4226	P		X		X	
Millsaps College (601) 354-5201	I		X			
Molloy College (516) 678-5000	I		X			
Monroe Community College (716) 424-5250	P				X	
Montgomery College (301) 279-5000	P		X		X	

* (P)ublic
(I)ndependent

Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certi-ficates	Credit Card Payment	Other Payment Plans
Morris Brown College (404) 525-7831	I		X				
Mount Holyoke College (413) 538-2040	I	X	X	X			
Mt. Hood Community College (503) 667-6422	P		X		X	X	X
Mount Saint Mary College (914) 561-0800	I		X	X			
Nebraska Wesleyan University (402) 466-2371	I		X	X			
New York Law School (212) 431-2828	I		X	X			
Niagara University (716) 285-1212	I		X	X		X	
Nichols College (617) 943-1560	I	X					
North Texas State University (817) 565-2459	P		X				
Northern Illinois University (815) 753-6001	P		X	X			X
Northern Virginia Community College (703) 323-3122	P					X	

Northwest Missouri State University (816) 562-1212	P	X	X			X	
Northwestern College (Minnesota) (612) 636-4840	I		X				
Norwich University (802) 485-5011	I	X	X	X			
Ocean County College (201) 255-4000	P				X		
Oglethorpe University (404) 261-1441	I	X	X				X
Ohio Northern University (419) 772-2010	I	X	X	X		X	X
Ohio State University, The (614) 262-6261	P		X	X		X	X
Ohio University (614) 594-5603	P		X			X	
Ohio Wesleyan University (614) 369-4431	I	X	X	X			
Oklahoma State University (405) 624-5992	P		X			X	
Oregon State System of Higher Education (503) 686-5793	P		X			X	

* (P)ublic
(I)ndependent

Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certificates	Credit Card Payment	Other Payment Plans
Oregon State University (503) 754-0123	P		X				
Pace University (212) 488-1200	I		X			X	
Pacific Lutheran University (206) 535-7121	I	X	X				
Polytechnic Institute of New York (718) 643-5000	I		X	X			
Prairie State College (312) 756-3110	P		X			X	
Purdue University (317) 494-5350	P		X				
Randolph-Macon College (804) 798-8372	I		X	X			
Reed College (503) 771-1112	I		X				
Reinhardt College (404) 479-1454	I		X	X		X	
Rensselaer Polytechnic Institute (518) 266-6788	I		X				
Rice University (713) 527-8101	I		X				

Rider College (609) 896-5000	I	X				
Robert Morris College (PA) (412) 227-6800	I		X		X	
Rochester Institute of Technology (716) 475-6188/2186	I		X	X	X	
Rose-Hulman Institute of Technology (812) 877-1511	I	X	X		X	
Saint John's University (Minnesota) (612) 363-3166	I		X			
Saint Louis University (314) 658-2474	I		X			
St. Petersburg Junior College (813) 341-3600	P			X		X
San Francisco State University (415) 469-1323	P		X		X	X
Santa Clara University (408) 554-4000	P	X	X		X	X
Seabury-Western Theological Seminary (312) 328-9300	I					X
Smith College (413) 584-2700	I	X	X	X		
Southern College (Tennessee) (615) 238-2111	I	X	X			

* (P)ublic
(I)ndependent

Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certificates	Credit Card Payment	Other Payment Plans
Southern Methodist University (214) 692-2802	I	X					
State University of New York College at Fredonia (SUNY) (716) 673-3236	P		X				
State University of New York at Plattsburgh (SUNY) (518) 564-3120	P		X			X	
State University of New York Maritime College (SUNY) (212) 409-7211	P	X	X	X			
Stephens College (314) 442-2211	I		X				
Sullivan County Community College (914) 434-5750	P		X			X	
Sweet Briar College (804) 381-6100	I			X			
Syracuse University (315) 423-2474	I	X	X				
Tabor College (316) 947-3121	I		X				

Texas College of Osteopathic Medicine (817) 735-2542	P		X			
Tufts University (617) 381-3528	I	X	X	X		X
Union County College (201) 276-2600	P		X			
University at Buffalo (SUNY) (716) 831-2186	P		X		X	
University of Central Arkansas (501) 450-3184	P				X	
University of Cincinnati (513) 475-2342	P		X	X	X	
University of Delaware (302) 451-2107	P		X		X	X
University of the District of Columbia (202) 282-7300	P		X		X	
University of Florida (904) 392-1321	P				X	
University of Houston, University Park (713) 749-1011	P		X			
University of Iowa, The (319) 353-3058	P		X			
University of Lowell (617) 452-5000	P		X	X	X	

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Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certificates	Credit Card Payment	Other Payment Plans
University of Miami (305) 284-6430	I	X	X	X			
University of Mississippi, The (601) 232-7200	P		X			X	
University of Missouri- Columbia (314) 882-7254	P		X			X	
University of North Carolina at Charlotte, The (704) 597-2236	P		X				
University of North Carolina at Greensboro, The (919) 379-5033	P		X			X	
University of Northern Iowa (319) 273-2311	P		X	X			
University of Oregon (503) 686-3165	P		X	X		X	X
University of Pennsylvania (215) 898-5200	I	X	X	X			
University of Pittsburgh (412) 624-4141	P		X			X	X
University of Tennessee at Martin (901) 587-7823	P		X			X	

University of Tennessee at Knoxville (615) 974-2243	P	X	
University of Texas at Arlington, The (817) 273-2174	P	X	
University of Texas at Austin, The (512) 471-4503	P	X	
University of Texas at Dallas, The (214) 690-2111	P	X	
University of Texas at El Paso, The (915) 747-5105	P	X	
University of Texas Health Science Center at Houston, The (713) 792-4273	P	X	
University of Wisconsin-White Water (608) 262-6423	P	X	
Villa Julie College (301) 486-7000	I		X
Virginia Commonwealth University (804) 786-4451	P	X	
Virginia Polytechnic Institute and State University (703) 961-6257	P	X	
Wake Forest University (919) 761-5000	I	X	

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Institution and Phone	Control*	Prepayment or Tuition Stabilization	Installment or Deferred Payment	Loans	Gift Certificates	Credit Card Payment	Other Payment Plans
Walla Walla College (509) 527-2815	I	X					
Warner Pacific College (503) 775-4366	I		X	X			
Wartburg College 1-800-772-2085	I						X
Washburn University of Topeka (913) 295-6356	P		X			X	
Washington State University (509) 335-9651	P			X			
Washington University in St. Louis (314) 889-5151	I	X		X			
Wayne State University (313) 577-2424	P		X				
Wesleyan University (203) 347-9411	I		X	X			
West Virginia University (304) 293-0111	P		X				
Western Maryland College (301) 848-7000	I	X	X	X		X	
Wheelock College (617) 734-5200	I		X				

Whitworth College (509) 466-3208	I	X	X		
Widener University (215) 499-4151	I		X		
Wilkes College (717) 824-4651	I		X	X	X
William Jewell College (816) 781-3806	I		X		
Wilmington College of Ohio (513) 382-6661	I		X		
Wittenberg University (513) 327-6231	I	X	X	X	
Yale University (203) 436-7696	I	X		X	
Young Harris College (404) 379-3111	I		X		

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Abilene Christian University
Academy of the New Church, The
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Dartmouth College
DePauw University
Dickinson College
Dordt College
Drew University
Duquesne University
Franklin Pierce College
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Harvard-Radcliffe
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Wittenberg University
Young Harris College

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Colgate University
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Cornell University
Dartmouth College
Dickinson College
Drew University
Duquesne University
Emory University
Fairleigh Dickinson University
Franklin Pierce College
Gonzaga University
Graceland College
Hartwick College
Harvard-Radcliffe
Jarvis Christian College
Johnson County Community College
Knox College
Lafayette College
Lakeland Community College
Loyola College
Marymount College of Virginia
Master's College, The
Merrimack College
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Northern Illinois University
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Ohio Northern University
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Tufts University
University of Cincinnati
University of Lowell
University of Miami

University of Northern Iowa
University of Oregon
University of Pennsylvania
Warner Pacific College
Washington State University
Washington University in St. Louis
Wesleyan University
Western Maryland College
Wilkes College
Wittenberg University
Yale University

Gift Certificates (7)

Academy of the New Church, The
Bethel College and Seminary
Calvin College
Chesapeake College
College of DuPage
Mt. Hood Community College
Ocean County College

Credit Cards (71)

Aims Community College
Alvernia College
Alverno College
Bowling Green State University
Bradley University
California Family Study Center
Chaminade University of Honolulu
Chatham College
Chesapeake College
Christopher Newport College
College of DuPage
Columbus College
Concordia Teachers College
Cornell University
Duquesne University
Elgin Community College
Empire State College (SUNY)
Emporia State University
Fairleigh Dickinson University
Franklin University
George Mason University
Glassboro State College
Indiana State University
Jacksonville State University
John Carroll University
Johnson County Community College
Kent State University
Lafayette College
Loyola College
Marymount College of Virginia
Memphis State University
Metropolitan State College
Miami University
Monroe Community College
Montgomery College
Mt. Hood Community College
Niagara University
Northern Virginia Community College
Northwest Missouri State University

Ohio Northern University
Ohio State University, The
Ohio University
Oklahoma State University
Oregon State System of Higher Education
Pace University
Prairie State College
Reinhardt College
Robert Morris College
Rochester Institute of Technology
Rose-Hulman Institute of Technology
San Francisco State University
Santa Clara University
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Sullivan County Community College
University at Buffalo (SUNY)
University of Central Arkansas
University of Cincinnati
University of Delaware
University of the District of Columbia
University of Florida
University of Lowell
University of Mississippi, The
University of Missouri-Columbia
University of North Carolina at Greensboro, The
University of Oregon
University of Pittsburgh
University of Tennessee at Martin
Villa Julie College
Washburn University of Topeka
Western Maryland College
Wilkes College

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